

# Respecting Your Core Resources . . . People, Cows and Land

Barbara Dartt, DVM, MS

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# Quadrants of Business Success



Financially Healthy <b>Q2</b> People Unhappy	Financially Healthy <b>Q1</b> People Happy
Financially Unhealthy <b>Q4</b> People Unhappy	Financially Unhealthy <b>Q3</b> People Happy



# Moving To Value



Valuing  
↓  
Appreciating  
↓  
Respecting  
↓  
Understanding  
↓  
Judging



# My Goal

- Choose one area of your business

TEAM	RESOURCES
Key employee	Animal handling
Active Listening	Company brand
Training Program	Soil health

- Get a fresh perspective
- Choose ONE and IMPLEMENT



# Outline

- Respect: A Contemplation
- Barriers to Respect
- RESPECT = Listening to Your Team
- RESPECT = Listening to Your Environment



# RESPECT



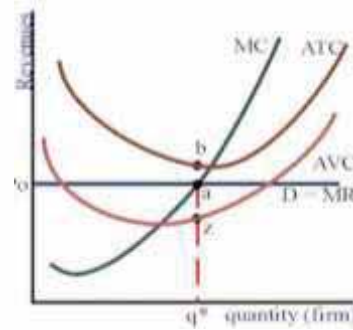
## Respect

**BALANCE**

- Individual - - - Business
- Business - - - Family
- Stewardship - - - Profitability

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## The Economist's Perspective



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## Triple Bottom Line



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## Johari Window

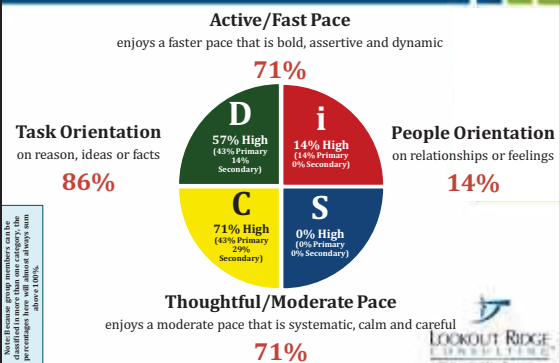
	Known to Self	Not Known to Self
Known to Others	Open	Blind
Not Known to Others	Hidden	Unknown

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## Barriers to Respect

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## Entrepreneurism



## Entrepreneurism

- People are acceptable collateral damage
- Don't mistake fear for respect



## Entitlement

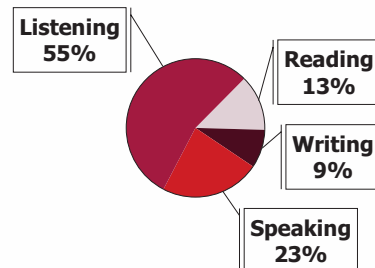
- Something you deserve due to position or rank (OR last name OR gender OR religion, etc etc)
- Focuses energy on retention of thinking, position, power or control



Respect = Listening



## Time Spent Communicating



## Listening vs. Hearing

### Hearing

The physical ability to accept and transmit *sound waves* from the eardrum to the brain.

### Listening

The ability to put *meaning* to that transmission.



## Listening Is Affected by:

- Selective Attention
- Selective Interpretation
- Selective Retention



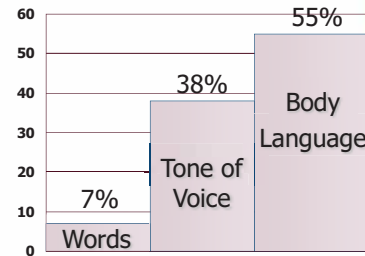
## Tuning In



Always Tuned To: W I I - FM  
What's in it for me?  
M M F I - AM  
Make me feel  
important...and more.



## Verbal/Nonverbal Communications



## Speaking and Listening Rates

- We speak at **150** words per minute.
- We listen at **500** words per minute.
- That leaves **350** words per minute to:

**TUNE OUT!**



## Causes for "Tune-Out"

- Receiver's purpose is different from sender's purpose
- Understimulation
- Overstimulation
- Pace and delivery
- Lack of skill development



## Avoid Tune-Out

- To address the speed differences, try these techniques
  - Repeat back in your mind what the person has just said to you.
  - Take notes
  - Ask yourself "What?" questions, for example, "What is he really after here?"



## Active Listening

- The key to active listening is to "mirror back" what your speaker said in a slightly modified format
- If your comment is accurate, your speaker's face will reflect that they have been heard



## Active Listening Starters

- If I'm right, what I hear you saying is ...
- I'll bet you felt really ... when ...
- As I understand it, you're feeling/thinking ...
- You must have been surprised ...
- So, if I could summarize, it seems to you that ...



*The best way to persuade people is with your ears -- by listening to them.*

- Dean Rusk



## Respect Cascade



RESPCT = Listening to Your TEAM



## Employee Engagement

- Outcomes based engagement
- Measured by behaviors
  - The extent to which employees commit to someone or something in their organization
  - How hard employees work
  - How long they stay

Source: The Corporate Leadership Council. Driving Employee Performance Through Retention and Engagement. 2004



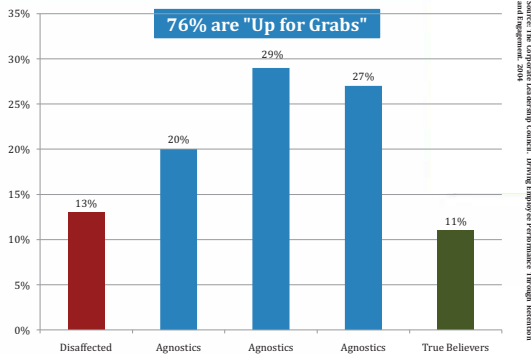
## Employee Engagement

- Rational or “Mind” commitment
  - Employees believe they will personally benefit from the team, manager or organization
    - Financially, developmentally or professionally
  - **Leads to RETENTION**
- Emotional or “Heart” Commitment
  - Engaged employees go above and beyond the call of duty to meet business goals
  - Engaged employees intend to stay at the organization longer
  - **Leads to DISCRETIONARY EFFORT**

Source: The Corporate Leadership Council. Driving Employee Performance Through Retention and Engagement. 2004



## Average Workforce Engagement



## Who are the "Committed"?

- Baby Boomers?
- Married folks?
- Managers?
- Long-tenured employees?
- NO!
- No significant differences by segment

Source: The Corporate Leadership Council. Driving Employee Performance Through Retention and Engagement. 2004



## Cautions

- Engagement (rational and emotional) accounts for about 40% of observed performance differences
  - Rest is training, experience, resources, etc
- Must begin by hiring high quality employees
  - First, recruit and select VERY WELL
- Secure rational commitment first
  - Folks must know they will be taken care of financially and professionally

Source: The Corporate Leadership Council. Driving Employee Performance Through Retention and Engagement. 2004



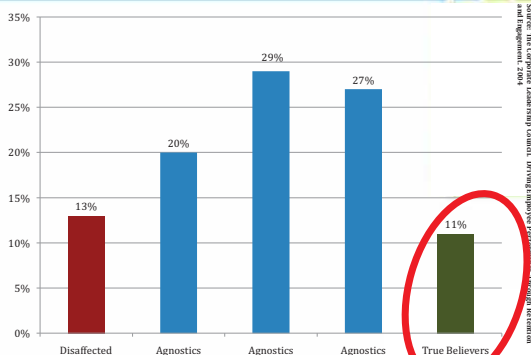
## Employee Engagement

- The 10/9 Rule
  - Every 10% increase in commitment can decrease an employee's probability of leaving 9%
- The 10/6/2 Rule
  - Every 10% increase in commitment can increase an employee's discretionary effort by 6%
  - Every 6% increase in discretionary effort can increase performance by 2%

Source: The Corporate Leadership Council. Driving Employee Performance Through Retention and Engagement. 2004



## Average Workforce Engagement



## 10/6/2 Rule

- Lowest engagement – 2.9% "True Believers"
- Highest engagement – 23.8% "True Believers"
- Potential yield a performance increase of 14%
- 78 lbs to 89 lbs per cow per day
- FE from 1.35 to 1.54

Source: The Corporate Leadership Council. Driving Employee Performance Through Retention and Engagement. 2004



## How to Increase Employee Engagement?

1. Recruit talent to meet job needs
2. Directly enable performance through needed resources and development
- THEN**
3. Engage for performance



## How will YOU increase Employee Engagement?



## Engage for Performance

### 1. CONNECT

- During onboarding - CLEARLY lay out:
  - **WHAT** the job is; and
  - **WHY** it's important
- Ensure employees know how to complete their work AND how it's linked to organizational success
  - Even more important than access to resources, chance for a promotion or safety



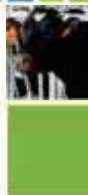
## Example On-Boarding Outline

1. Business Orientation
  - Mission Statement
  - Business Philosophy
  - Guiding Principles
  - Code of Conduct
  - Financials
    - Phased Introduction
    - Long-term goal - be involved in planning & review
2. Culture Orientation
  - Business Pillars
3. Making Connections - Key Critical Relationships
  - Hoof Trimmer
  - Milk Tester
  - Vet
  - Nutritionist
  - Feed Supplier
  - Others



## Example On-Boarding Outline

4. Roles & Responsibilities
  - Level of Authority
  - Authority Matrix
  - Job Description
5. Compensation and Benefits
  - Base Pay
  - Probation Period
  - Health Insurance
6. Incentive Plan
  - Pregnancy Rates
  - Mortality Rates
  - Production Goals



## Engage for Performance, con't

### 2. CUSTOMIZE

- Create training or development plan for each employee



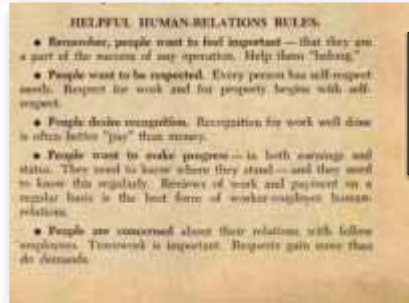
## Managers' and Owners' Roles

The conduit through which  
CONNECTION and  
CUSTOMIZATION  
happen

- Multiply and magnify commitment and productivity
- LISTENING = RESPECT



## Not a new topic ...



1969  
Michigan  
Farm News  
"Farm Labor  
Problems" by  
Melvin Woell



RESPECT = Listening  
to Your Environment



## Respect Cascade



## Branding

- Even spending time on it is in some opposition to ag's general culture
  - Manipulative?
  - Superficial?
  - About feelings, not results?
  - Isn't my example enough?
- Move from understanding to respecting to valuing



## Brand Definitions

BRAND: a valued relationship with a *consumer*

- Who is your consumer?
- Commodity producers
  - Brand will usually equate with leader's personal brand
  - How you respect team and resources builds your brand
- Highly respected = Strong brand





## Brand Management

1. Decide on the one or two things you want be known for in your key relationships
2. Define the behaviors that embody what you want your brand to stand for



## Brand Management

3. Listen to what the community says your brand is and continue to measure if the behaviors you and your team are exhibiting are building the brand you have targeted
4. Develop consistency. What you do consistently, good or bad, will be the basis of your brand. Exceptions in behavior or actions don't count for much



## Respect

**BALANCE**



- Feelings - - - Results
- Reputation - - - Results
- Stewardship - - - Profitability



## Thank You



## RESPECTING YOUR CORE RESOURCES – PEOPLE, COWS & LAND

Barbara Dartt  
Lookout Ridge Consulting

Respect . . . it's a complicated word. Respect can be a feeling, "I have great respect for Norman Borlaug." It can also include behavior. "Interrupting the speaker is very disrespectful." Ralph Waldo Emerson said, "Men are respectable only as they respect." At the end of the day, our own respectability is measured by whom we put first – ourselves or others. By considering others' needs and perspectives – in addition to our own – and then acting on that broader understanding, we demonstrate respect. When we demonstrate respect, we, in turn can be respected. When family, employees and colleagues believe we are respectable, and not just motivated by our own needs, they begin to trust. When we are trusted, we gain the voluntary cooperation of others. When you get voluntary cooperation you don't have to coerce, threaten, motivate or force others.

The above is all reasonable and logical – easy to follow and agree with. However, it can be a lot harder to put into action every day.

Consider the following scenario: You are driving in a traffic jam and suddenly realize you have to cut across two lanes of bumper-to-bumper traffic to turn right at the next corner. What's the first thing you would do? Why? What is the respectful action?

Now, add the additional information: You are an ambulance driver. Or, your pregnant wife is in the car and she is in labor. Or, you are already five minutes late for an appointment. Or, you are about to run out of gas. Now what is the respectful action?

So, instead of respect simply being about putting others first, it's really about balance. Balancing your needs with the needs of others around you. In the context of an agricultural business, respecting your core resources of people, cows and land must be balanced with profitability. And it can be balanced, very successfully. In fact, often the actions that demonstrate respect for our agricultural resources lead directly to higher productivity – more on that below. If respect is logical, as outlined initially, and, it can lead to higher productivity, it seems a "no-brainer." Why, then, don't we and our industry demonstrate universally respectful behaviors? The complete answer to that question likely takes more psychological expertise than I can offer. However, I would submit that in the businesses of the best producers, the entrepreneurial approach and entitlement are the primary culprits. Before we address solutions, let's consider the obstacles.

## Entrepreneurial Approach – The First Barrier to Demonstrating Respect

Above I stated that, “By considering others’ needs and perspectives, we demonstrate respect.” One of the best ways to consider others’ needs and perspectives is to listen. However, most agricultural business owners are entrepreneurs. They value execution, hard work and independence. Success is measured by accomplishing tasks and meeting goals. Listening hard to others, for an hour, to gain an understanding of someone’s needs and perspectives is awfully hard to fit into a culture of execution. It simply takes time to tune into our resources – whether they are people, cows or land. Time that doesn’t seem to immediately contribute to task completion or goal achievement. I have cut across two lanes of traffic to get to my turn, inconveniencing countless motorists. There was no medical emergency involved – simply an overwhelming need to get somewhere faster. The respect of those unnamed folks in the other cars seemed a pretty minimal sacrifice in the name of accomplishing my own personal goal. How often do we sacrifice other’s feelings to accomplish a goal?

Below, we’ll address some specific skills we can practice to combat our sometimes natural inclination to sacrifice other’s needs in the name of goal attainment. Meanwhile, let’s address entitlement as the second barrier to respect.

## Entitlement – The Second Barrier to Demonstrating Respect

Entitlement means having the right to something simply because of position or rank. In agriculture, I think we occasionally slip into feeling entitled to respect, simply because of our long history of hard work and sacrifice. Particularly, we sometimes believe we are entitled to the respect of the consumers we provide food for. Feelings of entitlement are sometimes displayed as behaviors like defensiveness, blaming and resistance to new ideas. Entitlement drives folks to hold on to what they’ve got – their thinking, position, power and control. It’s awfully hard to be respectful when you are worried first and foremost about protecting your turf.

As you examine your personal barriers to demonstrating respect, think about your own expectations. Do you demand respect? Or do you plan to earn it from others?

## RESPECTING YOUR RESOURCES – PEOPLE, COWS AND LAND

People are the right place to start for business success as evidenced by the following principle for running a great agricultural business:



The team is your group of managers and employees and it likely includes both family and non-family members. Resources include cows, environment (including land, water and air), equipment and facilities and intellectual property – your ability to innovate. Happy owners have a successful, profitable business as a result of their happy team and resources.

As noted above, one concrete action we can take to demonstrate respect is to listen. Active listening is a true skill. As with many skills, some folks seem to be wired to be good listeners. The rest of us can practice, as outlined below.

## Listen to Your People for a Happy Team

For purposes of this discussion, we'll define a "Happy Team" as one that is engaged and committed to their job and your business. There are two kinds of commitment: rational or "mind" commitment and emotional or "heart" commitment. When employees are rationally committed, they believe they will personally benefit from the team, manager or organization – financially, developmentally or professionally. Rational commitment leads to retention. When employees are emotionally committed, they go above and beyond the call of duty to meet business goals. Emotional commitment leads to discretionary effort<sup>1</sup>.

Managers often ask for employees who "treat this place as if it were their own." That is the definition of discretionary effort. And the study above found a 10/6/2 rule associated with emotional commitment. Every 10% increase in emotional commitment increased an employee's discretionary effort by 6%. Every 6% increase in discretionary effort increased productivity by 2%. The results cited above aren't simply about engagement resulting in a "happy team." They are about increased productivity. By the way, 68% of the respondents to this study were non-management employees – this was not research on white-collar folks alone.

The study also found that, on average, in the 59 organizations they studied (over 50,000 employees), about 76% of employees are only moderately committed. About 13% were unengaged and 11% were the "true believers" or highly engaged. If you fit with the average, over three-fourths of your work force could increase productivity by becoming more emotionally engaged. So how do you do engage your employees to build a happy team and increase productivity?

"Understanding how to do one's job and a belief in the importance of it are more critical in driving effort than any other day-to-day work factors, including safety, resources, job quality, suitability for role and personal goals<sup>1</sup>." Clearly, onboarding and

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<sup>1</sup> The Corporate Leadership Council. Driving Employee Performance Through Retention and Engagement. 2004.

then continued support and training are critical. This leads us to the role of managers (supervisors) and senior leaders.

Managers enable an employee's understanding of their job and therefore can have a "multiplier" effect on commitment and productivity. A manager who stands in the way of job understanding and belief in the importance of a job can significantly hinder commitment. Thankfully, the inverse is also true. Senior leaders, in turn, set the tone or culture for the organization – and inherently they place value on the time a manager can spend coaching and training employees.

To ensure you are listening to – and respecting – your people, do the following:

1. Facilitate each employee's understanding of how their job contributes to the success of the business;
2. Have managers support employees through designing an annual, employee-specific training plan. The plans should include some internal training with managers, owners or job shadowing as well as external training.

## Listen to Your Cows and Your Land for Happy Resources

Recall the graphic above – a Happy Team leads to Happy Resources leads to Happy Owners.

In some ways, it is easier now than ever before to really listen to your cattle. There is new research on dairy cow behavior released regularly from Guelph to Arizona. In addition, tried and true animal handling knowledge is more widely distributed and taught than ever. The same could be said for your land base. We are tuned in to compaction, tillage and soil health.

However, herds and land bases are much larger and resources are usually cared for by employees, not owners. Without a strong culture and training programs, it can be pretty hard for business owners to truly hear the messages resources might send.

This conference will provide some great opportunities to learn how to listen to your resources from experts in the field and producers who are implementing the ideas. These will provide you ways to listen "inside" your business and make change. Instead, let's consider looking outside your business for listening opportunities.

## Branding Your Business

Your business has a brand. "Brands aren't just names on packages. A brand stands for a valued relationship with a consumer," Charles Berger, CEO of The Scotts Company (lawn and garden supplies). Intuitively, most leaders of commodity businesses understand they have a brand or reputation – sometimes community-wide and occasionally nation-wide. For agricultural producers, the brand most often equates

with the personal brand of the key operator. For larger producers, the brand will be associated with the name of the operation.

Your brand is based upon how others perceive you or your farming operation. Learning to consciously establish, reinforce and assess the perceptions associated with you or your farming operation is a fundamental practice of managing your brand or reputation<sup>2</sup>. For agricultural producers, brands are built unconsciously by a whole host of actions. The way you listen and respond to your people, cows and land are fundamental to your brand. Other brand influencers include how you conduct business with others and civic stature in the community.

Brand – one more thing to manage in an increasingly complex industry. Here are the top four things you can do to manage your brand:

1. Decide on the one or two things you want be known for in your key relationships (they should relate back to your mission statement and core values).
2. Define the behaviors that embody what you want your brand to stand for.
3. Listen to what the community says your brand is and continue to measure if the behaviors you and your team are exhibiting are building the brand you have targeted.
4. Develop consistency. What you do consistently, good or bad, will be the basis of your brand. Exceptions in behavior or actions don't count for much. In particular if one wants to overcome a specific perception, it will take not just one exceptional act, but a series of actions.

Bottom line – one's brand is best described as the strength of the relationship with others in their community and business universe. Highly respected by others results in a strong brand.

## CONCLUSIONS

Respecting your people, cows and land can be put into practice by tuning in and listening. However, a couple common trait of agricultural business leaders can get in the way of demonstrating respect: the entrepreneurial approach and entitlement. Examine your own business and behaviors to determine if either of these traits holds you back from being fully respectful. Once you remove these limitations, you can choose one or two ways to tune in to your people, cows and land. Building a Happy Team will lead to Happy Resources and ultimately, Happy Owners will result.

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<sup>2</sup> Karl Speak, Brand Tool Box, Ltd. Personal communication. 2010.